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RECORDATION NO. _____ FILE 1288

OCT 11 1988-9 25 AM STEPTOE & JOHNSON 1 5858

ATTORNEYS AT LAW

RECORDATION NO. _____ FILE 1288

INTERSTATE COMMERCE COMMISSION

1330 CONNECTICUT AVENUE

WASHINGTON, D. C. 20036

ROBERT J. CORBER
(202) 429-8108

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RECORDATION NO. _____ FILE 1288

OCT 11 1988-9 25 AM

INTERSTATE COMMERCE COMMISSION

OCT 11 1988-9 25 AM October 11, 1988

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8-285A010

INTERSTATE COMMERCE COMMISSION

Ms. Noreta R. McGee
Secretary

Interstate Commerce Commission
Room 2215

Washington, D.C. 20423

OCT 11 1988-9 25 AM

OCT 11, 1988

INTERSTATE COMMERCE COMMISSION

ICC Washington, D.C.

Dear Ms. McGee:

Enclosed for filing and recordation pursuant to the provisions of 49 U.S.C. §11303 are the original and one copy of the documents hereinafter described. They relate to the railroad equipment identified below.

1. Lease Agreement dated as of February 9, 1983 by and between BRAE Corporation, as lessor and Little Rock & Western Railway Corporation, as lessee.

2. Rider No. 1 dated November 18, 1983 between BRAE Corporation and Little Rock & Western Railway Corporation.

3. Amendment No. 2 dated December 31, 1987 between Brae Transportation, Inc., successor to BRAE Corporation, and Little Rock & Western Railway Corporation.

The equipment subject to these agreements consists of 83 railroad cars bearing the marks LWRN 260225, 260226, 260232-260233, 260248-260250, 260260-260279, 260291-260311, 260316-260318, 260228-260230, 260236-260246, 260253-260257, 260282-260288, 260313, 260315, 260321-260324.

The names and addresses of the parties to the documents are as follows:

Lessor: Brae Transportation, Inc.
One Hundred Sixty Spear St.
San Francisco, CA 94105

Lessee: Little Rock & Western Railway
Corporation
7200 North Webster
Green Bay, Wisconsin 54305

C. Green

OCT 11 9 29 AM '88
NOTED
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Ms. Noreta McGee
October 11, 1988
Page 2

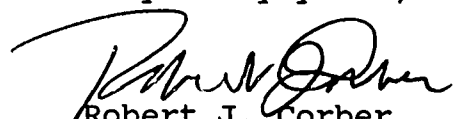
Please file and record the documents previously enumerated and index them under the names set forth above. Since the documents relate to the same transaction, it is requested that all be assigned the same recordation number with consecutive letter designation for each document after the first listed above.

A fee of \$39.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the person presenting this letter.

A short summary of each document to appear in the index follows:

1. Lease Agreement dated as of February 9, 1983 between BRAE Corporation and Little Rock & Western Railway Corporation, covering railcars marked as stated in the letter of transmittal.
2. Rider No. 1 dated November 1, 1983 between BRAE Corporation and Little Rock & Western Railway Corporation covering railcars stated in the letter of transmittal.
3. Amendment No. 2 dated December 31, 1987 between Brae Transportation, Inc., successor to BRAE Corporation, and Little Rock & Western Railway Corporation covering railcars as stated in the letter of transmittal.

Very truly yours,



Robert J. Corber
Attorney for BRAE
Corporation and Brae
Transportation, Inc.

Enclosures as stated

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RECORDED IN _____ FILE 120

OCT 11 1983 - 4 05 AM

INTERSTATE COMMERCE COMMISSION

AGREEMENT

DATE: February 9, 1983

PARTIES: BRAE Corporation, Four Embarcadero Center, Suite 3100, San Francisco, California 94111 ("BRAE"), and Little Rock & Western Railway Corporation, 7200 North Webster, Green Bay, Wisconsin 54305 ("LRWN").

RECITALS:

- A. BRAE and LRWN desire to arrange for up to 200 railcars which BRAE either owns or manages (individually a "Car" and collectively the "Cars") to be remarked with the railroad markings of LRWN.
- B. In consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

AGREEMENTS:

1. BRAE to Remark Cars. BRAE will, at no expense to LRWN, cause the Cars to be remarked with the LRWN railroad markings. The Cars will be listed and described by BRAE on the Equipment Schedule(s) to be attached hereto.
2. Delivery. BRAE will cause the Cars to be placed in service at such locations, other than upon the LRWN tracks, as BRAE shall select.
3. Cars to be Free on Line. If the Cars return to the LRWN tracks, the Cars will be free of all car-hire charges while on the LRWN tracks.
4. Term. This Agreement will commence with respect to each Car upon notice to LRWN that such Car has been remarked as provided in Section 1 hereof, and will continue until March 1, 1984.
5. Assignment or Load Agreements. The parties agree that it may be in the best interests of BRAE and LRWN to arrange for assignments, usage or load agreements in connection with the utilization of the Cars by other railroads. BRAE may, on behalf of LRWN, enter into such assignments or other agreements as it deems appropriate in its sole discretion.
6. Responsibilities of BRAE. BRAE shall be responsible for the maintenance, property tax and insurance costs for the Cars while this Agreement is in effect.
7. Obligations of LRWN. LRWN shall be responsible for the Cars while they are on the LRWN tracks and at the time any of the Cars are interchanged to it in accordance with the AAR Interchange Rules. LRWN shall promptly report to BRAE any damage or other condition of any Car which LRWN considers will make such Car unsuitable for use.

8. BRAE to Remove Any Cars Returned to LRWN Tracks. If any Car returns to the LRWN tracks, LRWN shall notify BRAE of such event by telex within 72 hours and BRAE shall thereafter have 30 days within which to cause such Car to be removed from the LRWN tracks. During such periods LRWN may load any such Car off-line, thereby relieving BRAE of its obligations under this Section 8. If LRWN does not load any such Car off-line, and BRAE does not cause such Car to be removed from the LRWN tracks during such 30 day period, BRAE shall pay to LRWN the sum of \$1.00 per day with respect to each day following such 30 day period that such Car continues to remain on the LRWN tracks. Notwithstanding the above, if at any time there are more than ten Cars upon the LRWN tracks, BRAE shall pay to LRWN a switching charge of \$50 for each car moved in or out, plus the sum of \$1.00 per day with respect to each Car in excess of ten which is upon the LRWN tracks regardless of whether or not such 30 day period has expired. BRAE shall pay all such sums to LRWN within 30 days following the end of the calendar month in which such sums were earned.
9. Car Accounting. BRAE shall, at no cost to LRWN, register the Cars in the Official Railway Equipment Register and the Universal Machine Language Equipment Register. BRAE shall also, on behalf of LRWN, perform all record-keeping functions related to the use of the Cars by LRWN and other railroads in accordance with the Interchange Rules and AAR railroad interchange agreements, such as car-hire reconciliation. Correspondence from railroads using such Cars shall be addressed to LRWN at such address as BRAE shall select. LRWN and BRAE agree that BRAE shall continue to provide such record-keeping functions until the termination of all Cars from this Agreement. All record-keeping performed by BRAE hereunder and a record of all payments, charges and correspondence related to the Cars shall be separately recorded and maintained by BRAE in a form suitable for reasonable inspection by LRWN from time to time during BRAE's normal business hours.
10. Car-hire Revenue and Other Compensation. LRWN hereby acknowledges that it shall have no right to any car-hire revenue earned by the Cars, including, but not limited to, any mileage and/or per diem payments, and that BRAE and/or the lessee to whom BRAE is currently leasing the Cars shall be entitled to all such car-hire revenue. As consideration for LRWN entering into this Agreement, BRAE agrees to pay LRWN the sum of \$5.50 per Car for each month that such Car is subject to this Agreement, pro-rated for partial months. BRAE shall pay such sums to LRWN within 30 days following the end of the calendar month in which such sums were earned.
11. Indemnification

It is the intention of BRAE and LRWN that LRWN shall incur no additional liability or legal risk as a result of entering into this Agreement, and in keeping with this desire, the parties hereto do agree as follows:

BRAE will defend, indemnify and hold harmless LRWN, its agents and employees, from and against: (i) any and all claims based upon loss or damage to the Cars, unless occurring while LRWN has physical possession of the Cars; (ii) any other types of claims, demands, causes of action, damages,

liabilities, costs or expense which may be asserted against LRWN with respect to the construction, purchase, delivery, ownership, leasing, return, use, maintenance, repair, replacement, operation or condition of the Cars, and claims caused by defects in the manufacture or workmanship of the Cars or any component thereof, or any material incorporated therein; and (iii) any and all claims, demands, expenses, liabilities or causes of action arising out of injury to or death of any person or persons, or loss of or damage to property of the parties hereto, or any other person, firm, or corporation when such injury, death, loss or damage arises from or is connected with any condition whatsoever (except that caused by the sole negligence of LRWN) arising from the usage of the Cars as herein provided.

IN WITNESS WHEREOF, the parties have executed this Agreement (as of the date first above written).

BRAE CORPORATION

By

Lawrence W. Briscoe

Printed Name LAWRENCE W. BRISCOE

Title Executive Vice Pres.

LITTLE ROCK & WESTERN
RAILWAY CORPORATION

By

K.E. Durdan

Printed Name K.E. Durdan

Title Vice President

EQUIPMENT SCHEDULE I

BRAE CORPORATION ("BRAE") hereby makes available the following railcars to LITTLE ROCK & WESTERN RAILWAY CORPORATION ("LRWN") pursuant to that certain Agreement dated as of February 9, 1983.

<u>Number of Cars</u>	<u>Description</u>	<u>A.A.R. Designation</u>	<u>Car Number</u>
Up to <u>200</u> <i>LRWB</i>	Type: XXXXXXX Used Boxcars Railcars		

BRAE and LRWN hereby incorporate by reference all of the terms, conditions and provisions of the Agreement in this Schedule.

IN WITNESS WHEREOF, the parties have each caused their respective duly authorized officers to have executed this Schedule as of the date first written above.

BRAE CORPORATION

By

Lawrence W. Briscoe
Printed Name LAWRENCE W. BRISCOE

Title Executive Vice Pres.

Date April 19, 1983

LITTLE ROCK & WESTERN
RAILWAY CORPORATION

By

K. E. Darden
Printed Name K. E. Darden

Title Vice President

Date 4/6/83

Alabama
STATE OF WISCONSIN)
COUNTY OF Houston) ss.

On this 6 day of April, 1983, before me personally appeared X. E. Durdan, to me personally known, who, being by me duly sworn, did depose and say that he is the Vice Pres. of Little Rock & West, the corporation which executed the above instrument, that he signed his name to the above instrument by authority of the Board of Directors of said corporation; and that he acknowledged that the execution of the above instrument was the free act and deed of such corporation.

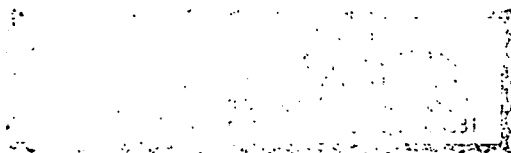
Joan Thompson
Notary Public

[seal]

My commission expires 5-19-84

STATE OF CALIFORNIA)
COUNTY OF SAN FRANCISCO) ss.

On this 19th day of April, 1983, before me personally appeared Lawrence W. Briscoe, to me personally known, who, being by me duly sworn, did depose and say that he is the Executive V.P. of BRAC Corp., the corporation which executed the above instrument, that he signed his name to the above instrument by authority of the Board of Directors of said corporation; and that he acknowledged that the execution of the above instrument was the free act and deed of such corporation.



Connie J. Stephan
Notary Public

[seal]

My commission expires Aug. 10, 1984